

Information Submission for # 02-278 – Telephone Consumer Protection Plan

From: Adeptra, 101 Merritt 7, 2nd Floor, Norwalk, CT 06851

Adeptra Introduction

Adeptra is an automated interactive two way communication provider that focuses on delivering “value-add” conversations to consumers throughout the customer lifecycle. Adeptra started in 1999 with a focus on delivering SaaS communications technology to UK consumers that the financial services industry struggled to provide live communications to.

Over the years, Adeptra has evolved into a global company with headquarters in London, England in the EMEA region, Norwalk, CT in the Americas and Sydney, Australia in the Asia-Pacific region. Adeptra currently employs more than 140 people in 8 countries to support our customers across 13 countries. The scope of the industries that we service has expanded since 1999, but our primary focus remains financial services companies and their customers’. We service these companies in 15 different languages with even more genders and dialects to ensure a positive customer experience through our service. We currently support half of the top 50 financial services companies worldwide and we expect that number will continue to grow in the years to come.

Discussion of Customer Focus and Primary Service Offerings

There is customer confusion and fear in the financial services (FS) market today. The customer selects a financial institution to do business with. The expectation is that through this business partnership the consumer will become informed and educated on the value this new relationship will bring to them. As the FS companies deliver this education they must also be keenly aware to manage the costs around servicing their customer in order to maintain profitability and their standing in the marketplace. As a result, in this complex financial world, tools that can enhance the customer experience while simultaneously addressing the need for FS companies to mitigate costs, should be considered an asset not a liability to the customers, the FS companies and the regulatory agencies.

Adeptra provides SaaS technology to the market that helps to manage regulation complexity, customer relationships and the costs that surround interacting with a customer. Many of the largest FS companies in the world need this type of support to deliver consistent and compliant messaging to their customers. Adeptra enables companies to focus on their core competencies rather than to invest time, people and money in managing their own technology. The cost of building and maintaining complex technology such as ours is a cost that undercuts the opportunity for these companies to deliver more regular and robust messages to their customers. Adeptra makes it possible for companies to move beyond the reactive customer

communication and delivers the ability to proactively engage the customer through multiple channels. This system and process enablement allows large consumer based companies to again decide how to educate and protect the consumer rather than forcing them to minimize service against the costs that come from their owned technology.

As discussed above, since companies are able to rely on Adepra's service offering and don't have to focus on managing the technology - focusing on the needs of the customer can now take center stage. Customers are looking for a relationship with their banks that protects and informs them within the customer lifecycle. The opportunity to deliver this type of partnership is harder today than ever because of the financial challenges that banks are facing. The development of new technology delivers the opportunity for companies to protect and inform their customers in a fast, effective and efficient manner. This is not to say that rules should not be considered to protect customers from unsolicited technology outside of an existing relationship, but the use of a customer focused tool in the support of existing relationships should not be limited when the tool provides enhanced value.

The customer lifecycle is similar across many industries. For the sake of further discussion, the focus in this document will be on financial services. The relationship between a financial institution (FI) and its customers may include deposit accounts, debit and credit card relationships, stocks, bonds and other financial instruments. As a result of doing business with a FI, the consumer expects to reap the benefit of personal convenience, financial improvement or both. One of the delivery mechanisms for achieving this, automated outbound communication, has a compelling fit in both of these areas.

The lifecycle starts with the application that the consumer initially fills out. The opportunity to educate and support the customer through the application process is significant. Immediately there are opportunities to communicate an update to the customer on the status of their application or communicate missing information needed to complete the application. Furthermore, there is an opportunity to offer suggestions that help maximize a customer's return on their investments or deposit. Finally, communication to the customer may simply be a welcome message with expected mail delivery dates. The aforementioned is not all inclusive but does demonstrate the value of being able to effectively and efficiently reach out to the customer in a manner they desire to optimize their experience. Service providers such as Adepra offer two way multi-channel automated communications to customers and can ultimately provide a significant increase in customer satisfaction.

Once the new customer is established, the opportunities to protect and inform the customer expand. In key areas such as fraud management, two way multi-channel automated communications plays a vital role in support of the customer. Financial services companies invest significant dollars every year in the prevention of fraud on behalf of their customers. These companies have systems in place that will flag suspect customer accounts that have been compromised. Companies detect fraudulent activity by recognizing inconsistencies in the

sequence of customer actions that together represent a fraudulent event. The sooner that companies can confirm the actions in the sequence to demonstrate a fraudulent event the lower the fraud dollar loss is. However, due to staffing, response time, etc companies cannot always use a live representative to confirm the fraudulent activity. This is where the medium of two way, multi-channel automated communication is paramount to this process. Through immediate contact, the customer is directly informed of an issue. Determination of fraud is confirmed or denied and the card is blocked or unblocked. This partnership between the customer and the FS company not only protects the consumer but also the company from sustaining fraud losses.

Payment reminders also play an important role in support of the customers. For many years collections efforts focused exclusively on driving huge volumes of outbound calls through auto dialers with the expectation that only a small minority would actually connect with representatives and resolve. In most situations this impersonal and inaccurate type of calling did not resolve the delinquency and negatively impacted the customer experience. Today, companies like Adepra deliver calls that are personalized to the customer, include information specific to the customer and allow the customer to resolve their delinquency systemically. In the event the customer wants or needs to communicate with a representative the technology delivers the call to the representative that can help them most effectively. This new technology also helps to minimize the number of calls that customers get by delivering the right conversation at the right time to the right channel. This functionality separates the companies that are looking to help minimize the number of calls to customers with the relics in the industry that still deliver blind dialer calls to every available number. The FCC should be careful not to limit the mediums used to communicate with customer such as mobile devices and instead focus on the harassment techniques that some collection agencies use in their efforts. The calling technology has come a long way in the past ten years in providing an improved customer experience and better end results for both the customer and the companies and this should be embraced.

Other business areas within financial services also have multiple touch points to the consumer for example, new account opening and new card request. In both of these situations, a customer is expecting a new card or welcome package in the mail but without being exactly sure of when to expect it. Furthermore, there are also core processing updates that are critical to the customer experience; card activation processing, payment reminder calls, activity updates and usage updates that take place between cycle billing statements to keep the customer informed. To continue, often times a customer will inquire about a process as sometimes it is complex and not easily understood. Further complicating matters, the timeline associated with the process can be very different based on customer type and request. As a result, a representative or self service portal is not always able to define the exact processing timeline. Processes such as a credit line increase requests, transactional disputes or general account updates all represent

significant opportunities to reach out to the consumer in order to ensure they are informed of case progress and outcome.

The consumers also rely on companies to support them in ways that they did not in the past. With the expansion of authorized users and linked accounts for family members, many customers are interested in actively participating in the management of their relationships. The ability to deliver spending limit updates to parents of children who use an authorized account at college and thereby allow the parent to add more availability to the account if necessary can all be managed in two way multi-channel automated communications. In addition to this example, any linked or authorized user product can deliver updates that could prevent fraud as well. In many situations, these types of account relationships are exposure points for family and friendly fraud scenarios. Updates to one or two designated accountholders within the linked accounts may provide the update necessary to avoid a greater loss to the customer and to the FS company.

These processes represent just some of the areas where Adepra's current technology supports the customer experience. Today's current challenge for FS companies of using outdated and expensive to own technology while focusing on their bottom line makes being able to keep up with the massive scale of notification delivery to their valued customer daunting. The best opportunity to deliver and scale to the ever-increasing communication requirements in support of regulations, the FS companies and most importantly the consumer is through two way multi-channel automated communications. The ability to understand the needs of the complex customer scenarios and to deliver customer value to meet their expectations is critical to bridging the gap between FS companies and their customers. This type of expectation can only be met by customers and companies embracing the technology that facilitates this medium of more efficient communication. The corporate desire to meet and exceed the customer's current and future requirements to be "informed" will not be possible without support of this medium. Companies that need to determine service standards without the use of technology will provide a very different service level that either severely limits the customer experience, charges the consumer directly for it or puts the FS company behind others in the marketplace.

Interestingly, there are other areas such as electronic commerce that will arrive in the United States in the near future as it already has around the world. Technology that enables machines that accept radio frequency messages to pay for drinks, lift tickets, meals, taxis and so many more items will become commonplace. When this occurs, banks will need to authorize/verify this type of activity in order to protect the consumer and, as a result, deliver immediate communication to the device being used.

The opportunities for two way multi-channel automated communications to deliver exceptional results today and focus on the changing customer needs of tomorrow should remain strong after the FCC review.

Conclusion

The FCC's proposed revisions cause concern for Adepra for the following reasons:

- (a) Adepra's services are in support of products and services of which the contacted party has already given their consent to take and are not unsolicited marketing calls; and.
- (b) The service benefits include reduced inconvenience (and cost) for the consumer. In certain instances, automated communication outweighs other contact strategies. Should the proposed changes be accepted such that all contact beyond just marketing calls is adopted by the FCC, the consumer will suffer the loss for it as they will not benefit from the services that Adepra offers; and
- (c) When calling our bank's customers the script starts immediately and the customer is advised who the calling party is and has the option (i) to cease the call or (ii) to proceed with the call or (iii) to be connected to a human call center agent if they wish to directly discuss any aspect of the call rather than to proceed through our services. None of these calls are marketing calls.
- (d) Adepra's services are merely the medium to effectively and efficiently deliver timely information/education that a live agent would.
- (e) Limiting the use of mobile telephone numbers will simply reduce the effectiveness of any companies' customer contact efforts. This will result in additional attempts and longer calling efforts to achieve the same result.

Adepra does not support the general principal that there should be greater regulation concerning non-marketing calls as consumers have shown that they prefer to receive these types of calls for the following reasons:

- (i) Public benefit is found in automated messages that assist the consumer in managing their account either with late payments, transaction fraud or card activation to prevent fraudulent use. The grounds for making this assertion are set out above.
- (ii) The overwhelming majority of customers find automated messaging with respect to payment obligations helpful and less intrusive and intimidating than a human caller. The Credit Today Awards 2007, reflected this with over 80% of those surveyed stating that the use of this type of call was effective and efficient and easy to understand.

Many countries outside of the United States have looked at consumer protection and unsolicited calls in this regard and have recognized there is a need to have regulation around consumer consent for unsolicited marketing calls but other "service benefit" calls such as those outlined by Adepra in this response have been seen as being of key benefit to the consumer. In fact, should the United States adopt the rules proposed we believe that this will also put the United States in a weaker position when compared to other key markets in countries who do not have a blanket ban on all such calls. The public and service benefits that consumers derive from the services that Adepra offers are overwhelming.

Adeptra services receive little or no complaints anywhere in the world where they are deployed. In fact, based on feedback received from other countries, the services offered and consumer benefits derived have been recognized by those regulators as key to providing more efficient, timely and cost effective consumer service and support, to the real benefit of the consumer.

Recommendation

We believe and concur that there is a need to ensure that consumers do not receive calls which are unsolicited and that are a nuisance, harassing or otherwise designed to cause distress to the recipient party. None of the Adeptra services fall into these areas and have been proven to provide overwhelming consumer benefits. We would welcome the FCC making clear that the proposed rules will only apply to calls which are unsolicited marketing calls. This will ensure technology that does support and enhance customer services is maintained and that, as such, the United States remains at the forefront of the delivery of these services which protect the consumer from fraud or unnecessary cost and liability through collections calls.

Adeptra Limited 21st of May 2010